

United States Senate
WASHINGTON, DC 20510

May 6, 2020

The Honorable Michael Crapo
Chairman
United States Senate

The Honorable Sherrod Brown
Ranking Member
United States Senate

The Honorable Maxine Waters
Chairwoman
House Committee on Financial Services

The Honorable Patrick McHenry
Ranking Member
House Committee on Financial Services

Dear Chairman Crapo, Ranking Member Brown, Chairwoman Waters, and Ranking Member McHenry;

As you consider the next pandemic relief package, we write to highlight financial scams where Americans are being sent unsolicited “live checks” – i.e. checks can be immediately cashed – precisely at a time when 88 million citizens are eagerly awaiting checks for their Economic Impact Payment (EIP). To be clear, these checks arrive from entities that have zero relationship to these consumers. The consumer never took a single action requesting these checks: not one mouse-click, not one phone call.¹

In response, we ask that this predatory practice be addressed in the next package by including S.3036, The Unsolicited Loan Act, to prohibit lenders from providing unsolicited loan checks.

Unsolicited loan checks arrive in the mail and consumers may unknowingly cash them believing that the checks are from the government or their trusted financial institution. However, these checks are actually high-interest loans that consumers are obligated to repay based on the terms of the contract.² We note that the 88 million people awaiting their EIP checks are disproportionately elderly or receiving disability income.

With your leadership, Congress allocated funding to go directly to consumers in the CARES Act (H.R. 748) to help put food on their tables and keep a roof over their head. Unfortunately, consumers have recently been confused when they receive unsolicited loan checks in the mail and cashing them thinking that they are government stimulus checks. Instead they’re further in debt. Of course, these companies *are free* to make loans to these consumers anytime they wish, provided the loan has been requested.

We urge you to consider including the Unsolicited Loan Act in the next coronavirus package. This will ensure that taxpayers navigate these stressful times without any additional unnecessary economic hardship.

Sincerely,



Doug Jones
United States Senator



Tom Cotton
United States Senator

1. Steven Nicastro, “[Banks and lenders are sending out pre-approved checks in the mail that seem like free cash, but there's a huge catch](#),” *Associated Press*, Dec. 14, 2018.
2. Peter Whoriskey, “[‘A way of monetizing poor people’: How private equity firms make money offering loans to cash-strapped Americans](#),” *Washington Post*, July 1, 2018.